

INSTRUCTIONS FOR FORM 524 - PREPARATION OF TRUST COMPANY
REPORT OF INCOME
(Rev. 3/03)

IMPORTANT: Round figures to nearest thousand dollars.

SECTION A - SOURCE AND DISPOSITION OF INCOME

- 1a. Income from fiduciary activities - report all fees, commissions and other fiduciary income.
- 1b. Interest on federal funds sold - report income on federal funds sold.
- 1c. Interest on U.S. Treasury securities - report all income on assets reportable on line 2 of the Trust Company Consolidated Report of Condition. Include accretion of discount on securities for the current period. Deduct current amortization of premiums on securities. Do not include gains or losses on the sale of securities prior to redemption. These should be included on line 6a, Securities gains (losses).
- 1d. Interest on obligations of other U.S. government agencies and corporations - report all income on assets reported on line 3 of the Trust Company Consolidated Report of Condition. Include accretion of discount on securities for the current period. Deduct current amortization of premiums on securities. Do not include gains or losses on the sale of securities prior to redemption. These should be included on line 6a, Securities gains (losses).
- 1e. Interest on obligations of states and political subdivisions of the U.S. - report all income on assets reported on line 4 of the Trust Company Consolidated Report of Condition. Include accretion of discount on securities for the current period. Deduct current amortization of premiums on securities. Do not include gains or losses on the sale of securities prior to redemption. These should be included on line 6a, Securities gains (losses).
- 1f. Interest on other securities - report all income on assets on line 5 of the Trust Company Consolidated Report of Condition. Include accretion of discount on securities for the current period. Deduct current amortization of premiums on securities. Do not include gains or losses on the sale of securities prior to redemption. These should be included on line 6a, Securities gains (losses).
- 1g. Interest and fees on loans - report all interest, fees, and similar charges levied against or associated with all assets reportable as loans on line 6 of the Trust Company Consolidated Report of Condition.
- 1h. Other income - report all other income not included above.
- 1i. TOTAL OPERATING INCOME - sum on items 1a through 1h.
- 2a. Salaries and employee benefits - include salaries, bonuses, hourly wages, overtime pay, incentive pay and fringe benefits for directors, officers and employees of the trust company.

2b. Interest on borrowed money - report all interest expense associated with those liabilities reported on lines 12 and 13 of the Trust Company Consolidated Report of Condition.

2c. Interest on capital notes - report all interest paid on liabilities on line 16 of the Trust Company Consolidated Report of Condition.

2d1. Occupancy expenses of premises, gross - report occupancy expenses associated with the premises occupied by the trust company (portions of which may be leased to others). Utilities, repairs, cleaning and upkeep should be included. If the premises are rented, the rental expense should be reported here.

2d2. Less rental income - report the amount received from leasing portions of the premises to other persons or entities.

2d3. Occupancy expense of premises, net - sum of 2d1 less 2d2.

2e. Furniture and equipment expense- report expenses associated with furniture and equipment. Maintenance and repair expenses should be included.

2f. Provision for possible loan losses - report the expenses associated with accruals to provide for an adequate reserve for possible loan losses.

2g. Other operating expenses - include all expenses not reported above.

2h. TOTAL OPERATING EXPENSES - sum of items 2a through 2g

3. Income before income taxes and securities gains or losses - report line 1i less line 2h.

4. Applicable income taxes - report the amount of applicable income taxes. Do not include taxes on securities gains (losses) reported on line 6b.

5. Income before securities gains or losses - report line 3 less line 4.

6a. Securities gains (losses), gross - report gains and losses associated with securities reportable on lines 2, 3, 4 and 5 of the Trust Company Consolidated Report of Condition. Do not include gains or losses on securities held in a trading account. These should be included in other income, line 1h or other expenses, line 2g.

6b. Applicable income taxes - report the amount of applicable income taxes.

6c. Securities gains (losses), net - report line 6a less line 6b.

7. Income before extraordinary items - report line 5 less line 6c.

8. Extraordinary items, net of tax effect - report nonrecurring items not included above, net of any tax effect.

SECTION B - CHANGES IN EQUITY CAPITAL (Year-to-date)

1. Balance end of previous year - report amount reported on the previous Trust Company Report of Income as balance end of current period, line 11.
2. Adjustments - report any adjustments to capital made subsequent to the Trust Company Report of Income as of the previous period, but as of the previous period.
3. Adjusted balance end of previous year - line 1 plus (less) line 2.
4. Net income (loss) - Section A, line 9.
5. Sale, conversion, acquisition, or retirement of capital net - report all net changes in capital due to sale, conversion, acquisition or retirement of capital.
- 5a. Transaction with own holding company or affiliates - report those items included in 5 which were between the trust company and its own holding company or an affiliate.
6. Changes incident to mergers and absorptions, net - report any net changes in capital due to merger and absorptions.
7. LESS: Cash dividends declared on common stock - report cash dividends declared by the board of directors on common stock, whether or not they have been paid yet.
8. LESS: Cash dividends declared of preferred stock - report cash dividends declared by the board of directors on preferred stock, whether or not they have been paid yet.
9. Stock dividends issued - report stock dividends declared by the board of directors, whether or not they have been paid yet.
10. Other increases (decreases) - report any increases or decreases in capital not included above.
11. Balance end of current period - line 22, Trust Company Consolidated Report of Condition.

SECTION C -- RESERVE FOR POSSIBLE LOANS LOSSES (Year-to-date)

1. Balance end of previous year - report figure reported on Section C, line 6 from prior period.
2. Recoveries credited to allowances - report recoveries gross.
3. Changes incident to mergers, net - report net changes to the reserve for possible loan losses related to mergers.
4. Provision for possible loan losses - report all year-to-date accruals to the reserve for possible loan losses.

5. LESS: Losses charged to allowance - report losses gross.
6. Balance end of current period - should balance to line 6(b) of the Trust Company Consolidated Report of Condition.

SECTION D -- OTHER OPERATING INCOME

1. Equity in net income of unconsolidated subsidiaries and associated companies - report trust company's equity in net income of unconsolidated subsidiaries and associated companies.
2. All other - report income from Section A, line 1h less that reported on Section D line 1 above.
3. Total - report the amount from Section A, line 1h.

SECTION E -- OTHER OPERATING EXPENSES

1. Minority interest in consolidated subsidiaries - report trust company's interest in expenses of consolidated subsidiaries.
2. All other - report income included from Section A, line 2g less that reported in Section E, line 1 above.
3. Total - report the amount from Section A, line 2g.

SECTION F -- MEMORANDA

- 1a. Provision for U.S. Federal income taxes - report provision for federal income taxes.
- 1b. Provision for state and local income taxes - report provision for state and local income taxes.
- 1c. Provision for foreign income taxes - report provision for foreign income taxes.
- 1d. Total - report sum of Section F, lines 1a, 1b and 1c.
- 2a. Extraordinary items - Section A, line 8, grossed up for taxes.
- 2b. Less: Applicable income taxes - report taxes related to extraordinary items.
- 2c. Extraordinary items, net - Section A, line 8.

